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June 3, 2013

Dear Citizens of Catawba County:

I am pleased to present to you the Catawba County Fiscal Year 2013/14 budget. As the County begins to see positive but modest signs of growth, the budget invests in education, public safety, economic development, and infrastructure while maintaining the property tax rate of \$0.53 per \$100 of valuation consistent with the Board of Commissioners' goals.

Catawba County remains steadfast in its commitment to education by investing 47.6 cents of every property and sales tax dollar for the instructional costs and capital needs of the three public school systems and CVCC. The budget allocates a total of \$78.37 million to education (\$40.36 million in operational funds, \$15.68 million in continuing debt service associated with construction projects, and \$22.33 million for school facility and capital equipment needs). Barring any major changes in funding by other counties, this funding is expected to maintain the County's ranking of 16<sup>th</sup> in total current expense funding for public schools and improve the County's ranking from 15<sup>th</sup> to 14<sup>th</sup> for community colleges.

Twenty-three cents of every property and sales tax dollar is committed to public safety. The budget funds an additional five road patrol deputies for the Sheriff's Office to address an increase in call volume and to maintain officer safety. Funds are included to finance the new Animal Shelter, currently under construction, to help address shelter over-population and spread of disease, and to increase animal adoptions. Additionally, the budget continues to dedicate funds towards the expansion of the Justice and Public Safety Center, scheduled to begin construction this year, to provide much needed court-related space, technology enhancements and the housing of the 911 Emergency Communications Center, Emergency Operations Center, and Emergency Services, as promised with the quarter cent sales tax referendum that the citizens of Catawba County passed in 2007.

Economic development is supported by funding for the Economic Development Commission. In 2012, economic development projects resulted in the announcement of over \$291 million of new investment and 428 new jobs. Funding is also included for the Convention and Visitors Bureau, the Chamber of Commerce's Visitor Information Center and Edison Project to promote entrepreneurship, and a partnership with Conover, Hickory, Maiden and Catawba for a multi-jurisdictional business park aimed at attracting new and expanded industry to the community.

The Board of Commissioners is committed to doing its part to ensure a vibrant and expanding local food economy and, as such, has a goal to implement strategies of the Farm and Food Sustainability



Plan consistent with the County's areas of responsibility. During the coming year five County departments will assist in these efforts.

The budget includes increased operating costs for the new Sherrills Ford Branch Library scheduled to open in late Spring 2014. Current service levels for other County Libraries and Parks are maintained. Libraries remain an important resource to the community during this period of economic recovery, providing computers, internet access, and training to those looking for work. Park use among citizens continues to increase from past years' levels with the existing 4-day schedule of operating hours. In partnership with the Historical Association, over the coming year the County will work to secure and preserve the Bunker Hill Covered Bridge, with plans to build a walking trail near the bridge and install a water line to assist with fire suppression.

Despite growth in some areas, Public Health projects \$1.12 million less revenue in the coming year from Home Health and Medicaid Cost Settlement. The revenue loss is driven by Medicaid and Medicare reimbursement changes, a change in payer mix for the clients served, and a new federal cost settlement formula that determines the amount of reimbursement local health departments receive for Medicaid services delivered. As a result of these revenue losses, the budget eliminates 23 positions in Public Health (14 of which are vacant) and reduces hours for 7 additional positions.

Citizens will experience a change in the way motor vehicle property taxes are paid, due to a change in State law. The State of North Carolina's Tag and Tax Together program, currently scheduled to begin September 1, 2013, will require drivers to pay their vehicle taxes at the same time they renew their vehicle tags instead of four months later (as is the case under the current system). The primary benefit of the system is expected to be an improved collection rate of motor vehicle taxes. Since the first four months of the new collection system will overlap with the old arrears system, the budget includes \$1.7 million in one-time revenue dedicated to one-time capital and equipment needs.

I thank my fellow County Commissioners and the citizens of Catawba County for their trust and support of our continued efforts to meet our citizens' needs.

Sincerely,

CATAWBA COUNTY BOARD OF COMMISSIONERS

*Katherine W. Barnes*

Katherine W. Barnes, Chair

